

U.S. Department of the Interior
Bureau of Land Management

Finding of No Significant Impact

DOI-BLM-NV-L000-2015- 0002-EA

December 15, 2015

**December 2015 Competitive
Oil and Gas Lease Sale for the
Ely District, Nevada**

***Location:
Ely District Office, Nevada***

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Finding of No Significant Impact (FONSI)
Environmental Assessment No. DOI-BLM-NV-L000-2015- 0002-EA
December 2015 Competitive Oil and Gas Lease Sale for the Ely District, Nevada

Introduction

The Bureau of Land Management (BLM) prepared the Final Environmental Assessment (EA) for the December 2015 Competitive Oil and Gas Lease Sale, Ely District Office, Nevada (DOI-BLM-NV-L000-2015-0002-EA). This EA analyzed the effects of leasing up to 140,388.670 acres of public lands throughout the Ely District, Nevada for Oil and Gas Development. The EA analyzed three alternatives: Alternative A – Lease ALL Parcels Nominated, Alternative B – Lease Subset of Nominated Parcels, and the No Action Alternative. This EA is tiered to, and incorporates by reference, the Ely Proposed Resource Management Plan/Final Environmental Impact Statement (FEIS) (BLM 2007). The FEIS analyzed resource impacts and the final Resource Management Plan (RMP) (BLM, 2008) designated these lands as open to leasing.

I have reviewed the Final EA, dated August 2015 and after careful consideration of the environmental effects of the BLM's Proposed Action described in the EA and supporting documentation, I have determined that the Alternative B with the project design specifications identified in the EA will not significantly affect the quality of the human environment, individually or cumulatively with other actions in the general area. No environmental effects meet the definition of significance in context or intensity as described in 40 CFR 1508.27; therefore, preparation of an Environmental Impact Statement is not required as per section 102(2)(c) of the National Environmental Policy Act (NEPA).

Context

Interest was expressed in leasing 94 parcels, totaling 140,389 acres, for the December 2015 Competitive Oil and Gas Lease Sale. The list of parcels was forwarded to the Ely District Office for environmental analysis. It is the Ely District's recommendation to approve leasing four (4) (in part or in whole) of the parcels identified in Alternative B of the EA. The total acreage for the offered parcels is 5,041 acres.

The following parcels are being recommended for removal from this sale and all future lease sales because they are not in compliance with the Ely RMP (BLM, 2008):

- Portions of parcel NVN-15-12-004 are being removed as it has been identified as private surface-private minerals and therefore not under the jurisdiction of the BLM to lease.
- All or Portions of parcels NVN-15-12-020, NVN-15-12-030, NVN-15-12-031, NVN-15-12-032, NVN-15-12-041, and NVN-15-12-050 were not classified as open or closed to leasing in the approved Ely District RMP (BLM 2008) and are therefore are managed as "not opened to leasing". However, these lands may become open to leasing through amending the Ely RMP at a later date.

- All or portions of parcels NVN-15-12-015, NVN-15-12-016, and NVN-15-12-017 have been closed to leasing pursuant to the Ely RMP (2008, pg. 99).

During internal review, the interdisciplinary staff identified 126 parcels in whole or in part, that should be deferred from leasing for this lease sale:

- Ely District recommends deferral of parcels listed in Appendix E of the EA, as identified by U.S. Fish and Wildlife Service (FWS) in a memo dated July 21, 2015 in response to the Ely District's Preliminary EA (DOI-BLM-NV-L000-2015-0002-EA) dated June 2015. The Ely District needs additional time to reinitiate Endangered Species Act Section 7 consultation with FWS. The original 2008 RMP Section 7 consultation with FWS may not have provided adequate consultation on all endangered species covered under the RMP.
- Ely District recommends deferral of parcels listed in Appendix E of the EA, as identified by Nevada Department of Wildlife (NDOW), due to proximity of the parcels to important sage grouse habitats. Further consultation and discussion is warranted before leasing parcels in or adjacent to habitat identified in the Nevada and Northeastern California Land Use Plan Amendment and Final EIS.
- Parcels NV-15-12-020 and NV-15-12-021 are encumbered by approved 43 CFR 3809 Plans of Operation (NVN078825 & NVN082888) and a pending 43 CFR 3809 Plan of Operation (NVN090443). These parcels, or portions of these parcels shall be removed from this sale list and all future sale lists until the Plans are closed.

The EA encompassed the 94 parcels nominated for the Ely December 2015 Competitive Oil and Gas Lease Sale. Standard terms and conditions as well as special stipulations would apply. Lease stipulations developed through the RMP process (as required by Title 43 CFR 3131.3) would be added to any parcels offered for lease sale to address site-specific concerns. Additional stipulations needed to protect surface resources and special areas may be imposed at the time the surface use plan and permit to drill are approved.

Once the parcels are sold, the lessee has the ability to use as much of the leased lands as is reasonably necessary to explore and drill for oil and gas within the lease boundaries, subject to the stipulations attached to the lease (Title 43 CFR 3101.1-2). However, prior to any surface disturbing activities, additional NEPA analysis may be required.

Oil and gas leases are issued for a 10-year period and may continue for as long thereafter as oil or gas is produced in paying commercial quantities. If a lessee fails to produce oil or gas, does not make annual rental payments, does not comply with the terms and conditions of the lease, or relinquishes the lease; ownership of the minerals reverts back to the federal government and the lease can be resold.

Drilling of wells on federal leases is not permitted until the lessee or operator secures approval of a drilling permit (APD) and has a surface use plan specified under Onshore Oil and Gas Orders.

Many of the parcels have one or more stipulations attached to the lease, as identified in Appendix C of the EA.

All development activities proposed under the authority of these leases would be subject to compliance with Section 106 of the National Historic Preservation Act, Executive Order 13007 and Section 7 of the Endangered Species Act.

No additional mitigation measures are necessary at this time. All parcels that would be developed in the future, may require site-specific mitigation measures and Best Management Practices, and would be attached as Conditions of Approval for each proposed activity.

Approval of the Proposed Action would allow the BLM to lease the parcels for oil and gas under the Leasing Law of 1920 as amended and the Federal Onshore Oil and Gas Leasing Reform Act of 1987. The determining factors weighed by the BLM in reaching a finding of No Significant Impact are provided below:

- There are no major issues involved;
- There are no unique characteristics within the project area to be affected (e.g., parklands or prime or unique farmlands);
- There are no adverse impacts to endangered or threatened plant or animal species or their habitats;
- The project and its potential effects on the quality of the human environment are neither controversial nor do they involve unique or unknown risks; and
- The proposal is in conformance with all federal, state, and local planning and laws, imposed for the protection of the environment.

Intensity

1) Impacts that may be both beneficial and adverse:

The Proposed Action does not include any ground disturbing activities, such as exploration, development, or production of oil and gas resources. Although there is no ground disturbance associated with leasing public lands for oil and gas activities, the EA did provide a Reasonably Foreseeable Development scenario based on the Ely RMP (BLM 2008). As a result, the following resources were analyzed for indirect impacts: air quality, cultural resources, wildlife, special status species, water resources and water rights, hazardous wastes, socioeconomics, noxious and invasive weeds, lands with wilderness characteristics, soils, grazing, wild horses, vegetative resources, land use and visual resources. There were no adverse impacts from the proposed action.

Continued exploration for additional petroleum reserves would help the United States become less dependent on foreign oil sources. The money received from the lease sale would benefit the State of Nevada and BLM.

2) *The degree to which the Proposed Action affects public health or safety:*

The Proposed Action would not affect public health or safety. If exploration drilling or other oil and gas related activities were proposed in the future, this action would be subject to additional site-specific NEPA analysis prior to receiving authorization.

3) *Unique characteristics of the geographic area such as proximity to historical or cultural resources, parks lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas:*

The Proposed Action would not affect historical or cultural resources, parks lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas. If exploration drilling or other oil and gas related activities were proposed in the future, this action would be subject to additional site-specific NEPA analysis prior to receiving authorization.

4) *The degree to which the effects on the quality of the human environment are likely to be highly controversial:*

The Proposed Action is not expected to be controversial. The BLM consulted with the U.S. Environmental Protection Agency, the U.S. Fish & Wildlife Service, seven Native American tribes, the Nevada State Clearinghouse (6 Nevada State Agencies), the Nevada Department of Wildlife (NDOW), the State Historic Preservation Office, the Lincoln County Commissioners and the White Pine County Commissioners in writing the EA. The preliminary EA was placed on the BLM NEPA Register website for 30 days to receive public comments until July 11, 2014. The BLM received approximately 168 external comments from individuals and government agencies on the proposed action during the 30-day comment period. Most comments expressed concerns about potential impact to wild horses. Others expressed concerns about potential indirect effects from hydraulic fracturing, air quality, water consumption, and groundwater contamination. The Reasonably Foreseeable Development scenario of the final EA was revised to include additional impact analysis for the various resources.

5) *The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks:*

Possible effects on the human environment as a result of the lease sale action are not anticipated. Indirect effects of potential future development would not be significant based on the reasonably foreseeable development scenario for the EA.

6) *The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration:*

The proposed action will not establish a precedent for future actions with significant effects or represent a decision about future consideration. Completion of the EA does not establish a precedent for other oil and gas competitive lease sales of similar size or scope. Any future leasing within the project area or in surrounding areas will be analyzed on their own merits and implemented, or not, independent of the actions currently selected.

- 7) Whether the action is related to other actions with individually insignificant, but cumulatively significant impacts:

Past, present and reasonably foreseeable future actions have been considered in the cumulative impacts analysis within the EA. The cumulative impacts analysis examined all of the other appropriate actions and determined that the proposed action would not incrementally contribute to significant impacts. In addition, for any actions that might be proposed in the future, further environmental analysis, including assessment of cumulative impacts, would be required prior to authorization of surface disturbing activities.

- 8) The degree to which the action may adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing on the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historic resources:

No adverse effect to these resources was identified as a result of the lease sale. If future development is proposed for any of the leases, site-specific NEPA analysis and mitigation will minimize any risk to districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places.

- 9) The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973:

Although such species occur adjacent or within the nominated parcels, there is no ground disturbing activity associated with the lease sale action. If future development is proposed for any of the leases, Section 7 consultation would occur prior to authorization in order to determine if the action may adversely affect the species.

- 10) Whether the action threatens a violation of federal, state, local, or tribal law or requirements imposed for the protection of the environment:

The Proposed Action will not violate or threaten to violate any federal, state, local, or tribal law or requirement imposed for the protection of the environment.


Gene Seidlitz
Acting Deputy State Director, Minerals Management
Nevada State Office

12/15/15
Date

Literature Cited

BLM. 2007. Ely Proposed Resource Management Plan/Final Environmental Impact Statement November 2007. USDI – BLM. Ely District Office.

BLM. 2008. Ely District Record of Decision and Approved Resource Management Plan August 2008. USDI – BLM. Ely District Office.